DEEP DIVE INTO

FRENCH RETAIL
GROWTH DRIVERS

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PROFESSIONAL CLIENT BASE

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CORPORATE/BANCASSURANCE

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WEALTHY AND MASS AFFLUENT CLIENTS

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Head of Boursorama

BOURSORAMA

Stay ahead and develop new growth drivers on our strong Professional client base.

Capitalise on the Group’s strengths and expertise to grow fees on our Corporate client base.

Address our high-end client base through a dedicated Wealthy clients set-up.

Be at the forefront of high online banking growth thanks to the leadership positioning of Boursorama.

Capture the full potential of the integrated Bancassurance model.
CORPORATES AND PROFESSIONALS: A STRONG LEVER FOR GROWTH

Geared towards Corporates and Professionals: 50% of French retail revenues

2016 revenues breakdown by type of client

- Corporates: 29%
- Professionals: 21%
- Individuals: 50%

Number of clients (end Sept. 2017)

- PROFESSIONALS: ~403,000
- CORPORATES: ~143,000
- ASSOCIATIONS LOCAL AUTHORITIES: ~180,000

Ambitions

~+ EUR 400m revenues by 2020

Positive outlook for the markets

- SUPPORTIVE ECONOMIC ENVIRONMENT
- DYNAMIC AND DIVERSIFIED MARKETS REQUIRING SPECIAL EXPERTISE
- SPECIFIC EXPECTATIONS FOR EACH SUB-SEGMENT
FRENCH RETAIL GROWTH DIVERS PROFESSIONALS
CREDIT DU NORD: A LONG-STANDING AND UNIQUE PARTNER TO PROFESSIONAL CUSTOMERS

A dynamic market requiring special expertise

- Growing French market
  +190,000 companies created in 2016
  36% of total French firms’ revenues

- Fragmented market
  Several market sectors
  New forms of entrepreneurship

- Specific expectation
  Combination of professional and personal needs

BEING A STRONG PARTNER IS PART OF OUR DNA
“LA BANQUE DE CEUX QUI ENTREPRENNENT” (1)

A TOP PLAYER

No. 2 customer satisfaction
Main banker for 70% of clients

Segments of excellence: very small enterprises, independent professionals, legal, property administrators, chartered accountants

Dynamic commercial trend
CAGR +3.5% client increase on targeted sub-segments since 2011

Solid profitability
>35% of Credit du Nord revenues
Controlled cost of risk

BESPOKE ORGANISATION

Comprehensive local structure
Meeting the market’s needs
Bankers and experts very close to clients
Shared expertise

Fast decision-making and execution process

Global solutions
Covering personal and professional banking needs

(1) The Bank for Entrepreneurs
OUR STRATEGY: STAY AHEAD AND DEVELOP NEW GROWTH DRIVERS

Client-centric data-driven approach
- Staff offering greater, more specialised expertise
- Mobile advisors, visiting clients
- Dedicated account manager to build long term relationships
- Innovation in Marketing and Technology

Products and services
Bank as a platform
- Expanded product/service range, partnerships with Societe Generale
- Simplified management of Pro accounts, project financing and development of personal and professional assets
- OPEN Banking model

Digitalisation of customer relations
- Paperless customer experience and processes
- Efficient self-care tools
- 1st bank entitled to let clients use vocal identification

A trusted partner
- Reaffirmed role as a local facilitator: Regional structure allows for quick decisions and the agility to experiment and adapt to new kinds of relationships
FRENCH RETAIL GROWTH DIVERS

CORPORATES
Positive outlook for the market

- Supportive economic environment
  Confirmed improvement in all sectors

- Increasing developments and investments
  Rising business confidence
  Positive outlook for order book

SOCIOE GENERALE: LEVERAGE AN EFFICIENT SET-UP TO PROVIDE STRATEGIC ADVICE AND GLOBAL SOLUTIONS TO CORPORATES

PROXIMITY AND EXPERTISE

Proximity
8 regional platforms
1,100 relationship managers

Expertise
~400 business experts dedicated to SMEs
Specialised back offices

SOCIOE GENERALE: REGIONAL EXPERTS SUPPORTED BY A GLOBAL BANKING GROUP

GLOBAL SOLUTIONS

Societe Generale Entrepreneurs

CLIENT ACQUISITION
+9% increase in number of clients since end-2014
Significant penetration rate on large corporates and export-oriented corporates

SOCIETE GENERALE
ENTREPRENEURS
CAPITALISE ON THE GROUP’S STRENGTHS AND EXPERTISE TO GROW FEES

SOCIETE GENERALE
RECOGNISED EXPERTISE

Leader in International Trade
Societe Generale accompanies 1 out of 3 French companies that export

Leader in global transactions
No.1 on Forex with corporates for 10 years, Best international trade finance provider in France and Western Europe, Best cash management in France and Western Europe

Societe Generale Mid-Cap Investment Banking: Offering full range of Investment Banking services, No.1 in French ECM and in French DCM Corporate in 2016, No.1 in LBO financing

Real Estate expertise
Sogeprom No.8 real estate developer

AMBITIONS

Accompanying Corporate development in France and abroad
- Leverage Global Transaction Banking
- Promote an international cash management offer focused on European countries
- Consolidate leadership in Trades

Being the partner of entrepreneurs with a dedicated Investment Bank
- Specific Joint Venture between the retail network and CIB
- Offer corporate finance at every stage of corporate strategic and wealth development
- Foster SG Entrepreneurs’ development

Participating in new infrastructure financing opportunities
- Large-scale infrastructure projects in Paris and main French cities
- Expand Real Estate offer, advice and financing

(1) For LBO with an EBITDA > EUR 25m in 2016
WEALTHY AND MASS AFFLUENT CLIENTS
Launch of "new" Société Générale Private Banking France in 2014 (clients > EUR 500k AUM)
- Bringing to clients:
  - a bespoke coverage at the choice of the client
  - a holistic approach to wealth management
  - an access to a full suite of services and innovative solutions
  - leverage of intra-group expertise (Lyxor, investment bank, insurance) and access to open architecture

- AUM 2013-2016 CAGR of ~3.5%
- Revenues 2013-2016 CAGR of ~6%

Next phase: a combined approach to more broadly serve mass affluent clients’ needs
NEXT PHASE: A COMBINED APPROACH TO MORE BROADLY SERVE MASS AFFLUENT CLIENTS’ NEEDS

IMPLEMENT A SET-UP DEDICATED TO FRENCH MASS AFFLUENT CLIENTS

- Capitalise on Private Banking France expertise
- Premium offer

- Reinforcement of coverage and upgrading of expertise
- Access to sophisticated solutions, diversified products and innovative tools
- Dedicated insurance and banking products
- Fully-fledged digital offering
- Diversified product offering: access to the best Asset Management solutions in each asset class

A DEDICATED SET-UP
of 675 specialised bankers in Societe Generale network dedicated to mass affluent clients’ needs

# 400k clients and > EUR 55bn AUM
FRENCH RETAIL GROWTH DIVERS

BANCASSURANCE
INTEGRATED BANCASSURANCE BUSINESS MODEL WITHIN SG GROUP

Comprehensive product range

- Savings Life Insurance: 67%
- Protection: 33%
- Property & Casualty: 32%
- Personal protection: 68%

Strong generation of cross-selling revenues EUR 1.8bn in 2016

- Successful track record and proven resilience
  - CAGR 2013–2016:
    - Revenues = +6%
    - Protection premiums = +4%
    - Unit-linked Asset under Management = +11%

- Strong position
  - No.5 French bancassurance
  - EUR 113bn AUM as of 9M 17 (26% in Unit-Linked)
  - EUR 1.4bn protection premiums
  - 22m Contracts

- Significant growth potential
  - Strong potential to increase protection equipment rates in all markets
  - Set up a digital bancassurance model
  - Boost innovation and move to a data-oriented model

International market rankings in life insurance

#3, #6, #3, #1
BANCSURANCE OFFERS SIGNIFICANT GROWTH POTENTIAL FOR FRENCH NETWORKS

GROW & INCREASE VALUE FOR CLIENTS

- Accelerate digital transformation and real time interactions
- Develop services and adapt offer to foster protection equipment rate
- Promote enhanced insurance solutions tailored to client needs

AMBITIONS FOR BANCSURANCE IN FRANCE

Growth in Savings life insurance

- Unit-linked share in Asset under Management
  - 2016: 21%
  - 2020: 31%

- Asset under Management: +2% CAGR 2016-2020
  (of which +12% in unit-linked)

Growth in personal protection

- Customer equipment rates in French retail networks
  - Personal Protection: 17.7% in 2016 increasing to 20% in 2020
  - Property and Casualty: 8.2% in 2016 increasing to ~12% in 2020

Cross-selling revenues ~+6% CAGR 2016-2020
FRENCH RETAIL GROWTH DIVERS

BOURSORAMA
A STRONG AND PROVEN GROWTH MODEL

A strong growth model with increasing efficiency

No. Clients

- Dec 2014: ~600,000
- Dec 2015: ~750,000
- Dec 2016: ~975,000
- Dec 2017e: ~1,250,000

Nb of employees / nb of clients

- Sept 2014: ~600,000
- Sept 2017: ~250,000

Cash Deposits
- Sept 2014: EUR 4.2bn
- Sept 2017: EUR 8.1bn

Loans
- Sept 2014: EUR 2.6bn
- Sept 2017: EUR 5.3bn

A full service banking

- Banking: 17%
- Savings: 21%
- Loans: 23%
- Insurance: 20%
- Brokerage: 18%

AuA + Loans (€22.8bn as of Sep 17)

A strong client base

- Young: 39 years old on average
- Urban: 38% in Paris area
- High socio-professional category: 36% executive, average income ~ EUR 40k
- Satisfied: satisfaction rate > 90%
- Active: 18 transactions a month
WHAT MAKES US UNIQUE?

A CLIENT-CENTRIC MODEL AND A VIRTUOUS OPERATIONAL MODEL

- All banking products natively digital
- Flexible and automated processes
- Open architecture

Autonomy
1.45 points of contact with an advisor per client and per year

Satisfaction
NPS* = +42

The most price competitive bank in France for 9 years

* Net Promoter Score
STRONG GROWTH AHEAD, SUPPORTED BY A FLEXIBLE BUSINESS MODEL

2020 TARGETS

- More than 2m customers
- Asset under Management ~ EUR 22bn
- Loans ~ EUR 13bn

A profitable and sustainable business model

A third of the cost base = marketing expenses

Number of existing clients - French online banks (Sept. 17 est.)

Number of new clients for 2016 (est.) - French online banks

Source: Press, companies
QUESTION TIME
MAIN TARGETS

FRENCH RETAIL BANKING

- Revenue CAGR 2016-2020: >+1%
- Operating Expenses CAGR 2016-2020: <+1%
- 2020 C/I Target: <65%
- 2020 RONE Target: ~14.5%

FRENCH RETAIL CLIENTS

CORPORATE AND PROFESSIONAL CLIENTS

- ~ + EUR 400m revenues by 2020

WEALTHY AND MASS AFFLUENT CLIENTS

- > + EUR 200m revenues by 2020

BANCASSURANCE FRANCE

- Cross-selling revenues ~+6% CAGR 2016-2020

BOURSORAMA

- More than 2m customers by 2020
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These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union, as well as the application of existing prudential regulations.

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